

State of California
BOARD OF EQUALIZATION

UNIFORM LOCAL SALES AND USE TAX REGULATIONS

Regulation 1803. APPLICATION OF TAX.

References: Sections 6008, 6009.1, 6203, 6352, 6385, 7202, 7203, 7205, Revenue and Taxation Code.

Sales to Common Carriers, see Regulation 1621.

Interstate and Foreign Commerce, see Regulation 1620.

Aircraft Common Carriers, see Regulation 1805.

(a) SALES TAX.

(1) **IN GENERAL.** Except as stated below, in any case in which state sales tax is applicable, state-administered Bradley-Burns uniform local sales tax is also applicable, if the place of sale is in a county imposing a state-administered local tax. In any case in which state sales tax is inapplicable, state-administered local sales tax is also inapplicable. Thus, if title to the property sold passes to the purchaser at a point outside this state, state-administered local sales tax does not apply regardless of participation in the transaction by a California retailer. As explained in paragraphs (b) and (c), the use tax may apply. If so, the retailer is required to collect the use tax and pay it to the board.

Gross receipts from sales of tangible personal property subject to the local tax shall include delivery charges, when such charges are subject to the state sales or use tax.

(2) **EXCEPTION.** State-administered local sales tax does not apply to certain sales of tangible personal property to operators of aircraft to be used or consumed principally outside the county in which the sale is made if such property is to be used or consumed directly and exclusively in the use of the aircraft as common carriers of persons or property under the authority of the laws of the State of California, the United States, or any foreign government. On and after July 1, 1972, for county tax purposes this exemption is limited to 80 percent of the county tax.

(b) USE TAX. State-administered local use tax applies if the purchase is made from a retailer on or after the effective date of the local taxing ordinance and the property is purchased for use in a jurisdiction having a state-administered local tax and is actually used there, provided any one of the following conditions exist:

(1) Title to the property purchased passes to the purchaser at a point outside this state;

(2) The place of sale is in this state but not in a jurisdiction having a state-administered local tax;

(3) The place of sale is in a jurisdiction having a state-administered local tax and there is an exemption of the sale of the property from the sales tax but there is no exemption of the use of the property from the use tax;

(4) The property is purchased under a valid resale certificate.

State-administered local use tax does not apply to the storing, keeping, retaining, processing, fabricating or manufacturing of tangible personal property for subsequent use solely outside the state or for subsequent use solely in a county not imposing a local use tax.

(c) COLLECTION OF USE TAX BY RETAILERS. Retailers engaged in business in this state and making sales of tangible personal property, the storage, use or other consumption of which is subject to a state-administered local use tax, are required to collect the tax from the purchaser. It is immaterial that the retailer might not be engaged in business in the particular county or city in which the purchaser uses the property

Retailers who are not engaged in business in this state may apply for a Certificate of Registration — Use Tax. Holders of such certificates are required to collect tax from purchasers, give receipts therefor, and pay tax to the board in the same manner as retailers engaged in business in this state.

As used in this regulation, the term "Certificate of Registration — Use Tax" shall include Certificate of Authority to Collect Use Tax issued prior to September 11, 1957.

Regulation 1803. (Continued)

(d) LEASES. If a lease is a continuing sale, or a continuing purchase, for the purposes of state tax, it shall be a continuing sale, or a continuing purchase, for the purposes of local tax. If a lease is neither a continuing sale nor a continuing purchase for the purposes of state tax, it shall be neither a continuing sale nor a continuing purchase for the purposes of local tax.

History: Effective January 1, 1962.

Amended and renumbered January 6, 1970, effective February 25, 1970.

Amended May 10, 1972, effective June 18, 1972.

Amended December 12, 1973, effective January 18, 1974.

Amended March 30, 1988, effective June 15, 1988. Amended subdivision (a) (2) to remove the reference to a specific exemption which expired on December 31, 1987.

Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.